VZCZCXRO8354 PP RUEHFK RUEHKSO RUEHNAG RUEHNH DE RUEHKO #1497/01 1540123 ZNR UUUUU ZZH P 020123Z JUN 08 FM AMEMBASSY TOKYO TO RUEHC/SECSTATE WASHDC PRIORITY 4691 INFO RUEKJCS/SECDEF WASHDC PRIORITY RHEHAAA/THE WHITE HOUSE WASHINGTON DC PRIORITY RUEAWJA/USDOJ WASHDC PRIORITY RULSDMK/USDOT WASHDC PRIORITY RUCPDOC/USDOC WASHDC PRIORITY RUEAIIA/CIA WASHDC PRIORITY RUEKJCS/JOINT STAFF WASHDC//J5// RHHMUNA/HQ USPACOM HONOLULU HI RHHMHBA/COMPACFLT PEARL HARBOR HI RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA// RHMFIUU/USFJ //J5/JO21// RUYNAAC/COMNAVFORJAPAN YOKOSUKA JA RUAYJAA/CTF 72 RUEHNH/AMCONSUL NAHA 0480 RUEHFK/AMCONSUL FUKUOKA 8100 RUEHOK/AMCONSUL OSAKA KOBE 1789 RUEHNAG/AMCONSUL NAGOYA 6397 RUEHKSO/AMCONSUL SAPPORO 8691 RUEHBJ/AMEMBASSY BEIJING 3647 RUEHUL/AMEMBASSY SEOUL 9645 RUCNDT/USMISSION USUN NEW YORK 0086

UNCLAS SECTION 01 OF 12 TOKYO 001497

SIPDIS

DEPT FOR E, P, EB, EAP/J, EAP/P, EAP/PD, PA; WHITE HOUSE/NSC/NEC; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION; TREASURY/OASIA/IMI/JAPAN; DEPT PASS USTR/PUBLIC AFFAIRS OFFICE; SECDEF FOR JCS-J-5/JAPAN, DASD/ISA/EAPR/JAPAN; DEPT PASS ELECTRONICALLY TO USDA FAS/ITP FOR SCHROETER; PACOM HONOLULU FOR PUBLIC DIPLOMACY ADVISOR; CINCPAC FLT/PA/ COMNAVFORJAPAN/PA.

E.O. 12958: N/A

TAGS: OIIP KMDR KPAO PGOV PINR ECON ELAB JA

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 06//08

Index:

- 1) Top headlines
- 2) Editorials
- 3) Prime Minister's weekend schedule (Nikkei
- 4) Prime Minister Fukuda meets Germany's Chancellor Merkel on first leg of European tour: Two to vow cooperation on global warming, discuss Africa (Mainichi)

China earthquake assistance:

- 5) Government to use commercial aircraft to deliver 1200 tents to
- quake victims in China (Tokyo Shimbun 6) Senior PLA officer "can't welcome" ASDF aircraft bringing relief goods to earthquake victims in China (Asahi
- 7) Japan's medical team returns from earthquake zone in China today, with sense of "having deepened trust relations" between two peoples (Tokyo Shimbun)
- 8) Japan to provide 500 million yen in additional aid to China quake victims (Asahi)
- 9) Government considering sending 100,000 tons of rice aid to Sri Lanka (Yomiuri)

Defense and security affairs:

- 10) Japan signs on to total cluster-munitions ban, but it will cost the government 200 billion yen to scrap the existing stockpile (Tokyo Shimbun)
- 11) Chief Cabinet Secretary Machimura: GSDF dispatch to Afghanistan is a possibility (Asahi)
- 12) Government considering sending GSDF to Afghanistan to participate in ISAF (Yomiuri)

- 13) Government considering sending SDF to Sudan (Tokyo Shimbun)
- 14) Prime Minister Fukuda takes cautious stance about sending GSDF to Afghanistan (Sankei)
- 15) DPJ Secretary General Hatoyama cautious about dispatch of GSDF to Afghanistan (Mainichi)
- 16) Defense Secretary Gates, Defense Minister Ishiba in meeting in Singapore confirm commitment to complete Futenma relocation by 2014 (Asahi)
- 17) Gates, Ishiba agree in meeting that road map for USFJ realignment must be used unchanged (Nikkei)
- 18) Ishiba at Asian security symposium in Singapore told that Japan's needs a strategy (Mainichi)
- 19) Prime Minister Fukuda joins domestic policy debate over reviewing the acreage reduction system in view of growing food shortages in world (Sankei) 11

DPJ in action:

- 20) Democratic Party of Japan (DPJ) revises strategy to favor Diet dissolution in the fall or later, with first priority now on reelecting party head Ozawa (Nikkei)
- 21) DPJ may "reelect" Ozawa as party head without a formal vote (Yomiuri)

Articles:

1) TOP HEADLINES

Asahi & Sankei:

Gasoline prices exceed 170 yen per liter

TOKYO 00001497 002 OF 012

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 06//08

Mainichi:

Police determine 1,696 unidentified children in child porn materials in 2007

Yomiuri:

Illicit businesses change names after getting penalized, allegedly defrauding 6,200 people of 1.2 billion yen for 2 years

Nikkei:

Japan Post to change its fleet to electric vehicles

Tokyo Shimbun:

Escalating gasoline prices

Akahata:

International Food Forum: Local production for local consumption would cool the earth

2) EDITORIALS

Asahi:

- (1) Prime Minister Fukuda, local government chiefs should show determination for decentralization
- (2) Government urged to recognize more atomic bomb victims as sufferers of A-bomb sickness

Mainichi:

(1) End of TICAD: We want to see economic development in Africa in TICAD $\ensuremath{\mathtt{V}}$

Yomiuri:

- (1) Imported rice in stock would alleviate shortage
- (2) The Manyoshu, oldest existing anthology of poetry, must be handed down to future generations

Nikkei:

- (1) Efforts for measures to prevent new-type flu
- (2) Can Japan-China-ROK cooperation framework work?

Sankei:

- (1) Kibo space lab is crystallization of Japan's space technologies
- (2) Citizen-judges should be told of responsibilities in easy to

understand language

Tokyo Shimbun:

- (1) Revised traffic law: People must follow new rules
- (2) COP10: Nagoya should dispatch messages

Akahata:

- (1) Class action lawsuit seeking government's recognition as sufferers of A-bomb sickness: Need for government's fundamental policy change
- 3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, May 31

NIKKEI (Page 2) (Full) June 1, 2008

10:11

TOKYO 00001497 003 OF 012

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 06//08

Met Chief Cabinet Secretary Machimura, joined in by Assistant Chief Cabinet Secretary Saka, at the Kentei.

10:58

Met Consumer Administration Promotion Council Chairman Takeshi Sasaki and others in the presence of Machimura and Consumer Administration Promotion Minister Kishida. Kishida stayed on. Afternoon Spent time at his official residence.

Prime Minister's schedule, June 1

NIKKEI (Page 2) (Full) June 2, 2008

11:23

Departed from Haneda Airport on government plane for a trip to three European countries.

(Local time)

Afternoon

Arrived at Tegel Airport in Berlin and then at the Intercontinental Hotel.

Evening

Attended a welcome ceremony hosted by German Chancellor Merkel and had a meeting with Merkel.

Night

Held a joint press conference.

4) Japanese, German leaders to confirm cooperation on joint efforts to fight global warming, to exchange views on Africa issue

MAINICHI (Page 2) (Full) June 2, 2008

(Naoyuki, Inukai, Berlin)

Prime Minister Yasuo Fukuda, now on a Europe tour, held his first meeting with Chancellor Angela Merkel at the Prime Minister's Office in Germany on the evening of June 1, local time. The two leaders will confirm the need for Japan and Germany to cooperate in fighting global warming, a major theme in the upcoming Lake Toya Summit (Group of Eight Summit) in July. They will also exchange views on such issues as globally skyrocketing food prices and African development.

In the meeting, Fukuda will spell out the government's proposed sector-by-sector approach to cut greenhouse gas emissions based on targets classified by industry and sector and seek her cooperation in forming a new international framework to fight global warming following the 2012 expiration of the Kyoto Protocol.

Fukuda and Merkel will also agree on cooperation between their

governments in dealing with the food problem and the African development issue, based on the discussions conducted at the 4th Tokyo International Conference on African Development (TICAD4) in Yokohama in late May,

Besides, the two leaders are expected to confer on economic issues, such as the reform of the United Nations Security Council (UNSC), which both Japan and Germany are calling for, and soaring oil

TOKYO 00001497 004 OF 012

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 06//08

prices. After the meeting, they will hold a joint press conference at the Prime Minister's Office.

5) Japan to send 1,200 tents for Sichuan quake victims

TOKYO SHIMBUN (Page 1) (Abridged) May 31, 2008

Japan will provide additional aid worth up to 500 million yen for those affected by the Sichuan earthquake in China, Chief Cabinet Secretary Nobutaka Machimura told a news conference yesterday afternoon. The government will send 1,200 tents on commercial flights to Chengdu, Sichuan, or Beijing. It will cost about 163 million yen, including the charter flights.

The government had initially considered flying Self-Defense Forces aircraft to airlift relief supplies. However, the government has now forgone this SDF airlift mission out of consideration for China's reluctance. However, the government would like to make an appeal on Japan's proactive stance of aiding quake victims with relief supplies on commercial flights.

The additional aid this time follows the government's initial emergency financial and materiel aid amounting to 500 million yen. The Japanese government's aid will total 1 billion yen.

The government will also provide medical supplies, drinking water, and water purifiers, as requested by China.

6) High-ranking Chinese military officer indicates Beijing "cannot welcome" SDF aircraft, citing anti-Japanese sentiment

ASAHI (Page 2) (Full) June 1, 2008

China's deputy chief of the People's Liberation Army staff Ma Xiaotian in Singapore on May 31 commented on the Japanese government's aborted plan to send Self-Defense Force aircraft to deliver relief supplies to survivors of the Sichuan earthquake. He said that Beijing "would not able to welcome it" at the moment. Citing a possible psychological impact on Chinese national sentiments as the reason, Ma underlined the need for long-term joint efforts (by Japan and China). He thus admitted that there were the anti-Japanese sentiment and rejection to SDF aircraft behind the government's decision to forgo sending SDF planes.

This is the first time that a ranking Chinese military officer has responded to questions from the media. Ma, who attended the annual Asia Security Summit held in Singapore sponsored by the Asahi Shimbun and other organizations, indicated to an Asahi reporter about allowing SDF aircraft to deliver relief supplies, "Personally, I cannot express a sense of welcome."

As the reason, he said: "If Japanese military aircraft fly over China's airspace and land on a Chinese airport, it would have a certain degree of impact on the psychology of the Chinese public."

Prior to this, Ma stated during a lecture that Beijing could not accept the SDF aircraft based on historic, cultural and psychological reasons, as well as on the selection and sentiment of the Chinese government and public. He added that Japan understands the reasons.

7) Japanese medical team to return home today from China's quake-hit areas

TOKYO SHIMBUN (Page 1) (Excerpts) June 2, 2008

(Minoru Ikeda, Chengdu (Sichuan Province, China))

Japan's medical team gave a press conference in Chengdu, Sichuan Province, on the night of June 1 after completing rescue operations for victims of the massive earthquake. Team leader Kazuhiro Tajiri said: "We were able to conduct rescue operations smoothly. Deepened mutual understanding between Japan and China facilitated our cooperation in emergency medical treatment."

The Japanese medical team treated more than 250 emergency outpatients in cooperation with Chinese staff at Sichuan University West China Hospital. There were 280 inpatients, and those who received X-rays exceeded 700. The team will leave Chengdu Airport on the morning of June 2 and arrive in Japan on the night of the same day.

Tajiri said in the press conference: "We were able to deepen individual relations with the Chinese staff and patients day by day. They offered words that encouraged us. I am pleased with that." He also quoted a woman who just had a baby in the obstetrics and gynecology department as saying when a midwife offered parting words to her: "I will have the baby learn Japanese. Let's have a chat through my child ten years later."

The medical team arrived in Chengdu on May 20 and started rescue operations at the said hospital on the 22nd, 11 days after the quake.

8) Government to extend additional 500 million yen in aid to China

ASAHI (Page 1) (Full) May 31, 2008

The government announced on May 30 that the country would offer an additional up to 500 million yen in aid to victims of the Sichuan earthquake in China. It is the second package following the one worth 500 million yen, announced on May 23. Although the government has forgone dispatching SDF aircraft to deliver relief supplies to China, it plans to send as early as next week some 1,200 tents, including those possessed by the SDF, by using chartered commercial planes. The government plans to continue sending blankets, medical supplies, water purifiers and the like in compliance with requests from China.

For the delivery, the Cabinet Office International Peace Cooperation Headquarters Secretariat will provide 700 tents, the SDF 100, and Hyogo and Aichi Prefectures 200 each all for free of charge. Chief Cabinet Secretary Nobutaka Machimura said in a press conference on May 30: "If any organization would like to discuss (providing tents), please notify any government agency concerned."

9) Japan mulling offering rice to Sri Lanka

YOMIURI (Page 2) (Full) June 1, 2008

TOKYO 00001497 006 OF 012

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 06//08

The government is considering providing Sri Lanka with some 100,000 tons of the rice Japan imports obligatorily, sources revealed on May ¶31. If this is realized, Sri Lanka will be the second country after the Philippines to receive Japan's imported rice amid the growing food crisis.

According to sources, the government of Sri Lanka asked Japan to use 100,000-200,000 tons of its imported rice for assistance to that

country. International rice prices have tripled over the last five months. Sri Lanka is apparently finding it difficult to secure imports of rice. Japan is expected to export 200,000 tons of rice to the Philippines.

10) GSDF to scrap all cluster munitions at a cost of 200 billion yen

TOKYO SHIMBUN (Top play) (Full) May 31, 2008

Following the Japanese government's agreement to a draft treaty totally banning cluster munitions except for some of such bombs, the Ground Self-Defense Force (GSDF) is expected to scrap all of its multiple launch rocket system (MLRS)-equipped vehicles. Approximately 200 billion yen was spent to install the MLRS system in 99 vehicles, but all those vehicles will now be rendered obsolete, and in addition, a the defense budget will be hit for enormous outlays to purchase alternative weapons.

The MLRS is installed in special armored vehicles capable of carrying 12 rocket bombs (cluster munitions) incorporating 644 submunitions. If there is a land invasion, rockets would be fired at the enemy that would eject submunitions and put the area under control in a moment.

As a trump card to cope with the landing of invading forces, Japan began purchasing cluster-munitions launchers from the United States in fiscal 1992. The number of those vehicles possessed by five Artillery Battalions totals 99 at present.

A senior GSDF officer noted: "We need to review our strategy. The firepower of one MLRS-equipped vehicle is tantamount to three pieces of ordnance." In order to make up for one MLRS-equipped vehicle worth 2 or so billion yen, three pieces of 155mm artillery are necessary. This means a total of approximately 1.2 billion yen will be needed to purchase them.

The MLRS is capable of carrying the Army Tactical Missile System (ATACMS) that does not use cluster munitions, but the GSDF does not possess this system. Referring to ATACMS, another senior GSDF officer said, "The defense trading house Yamada Yoko is related to imports of ATACMS, and former Vice Defense Minister Takemasa Moriya, now under indictment on a bribery charge, eagerly insisted on purchasing the system. Given such a circumstance, it does not appear to be a good choice to purchase it. Japan is unlikely to move to purchase ATACMS.

Scrapping cluster bombs requires a huge amount of money. In addition to cluster munitions installed in the MLRS, the Self-Defense Forces (SDF) have two other types of cluster munitions: one type is that they will eject 202 submunitions when they are air-dropped and the other type is that high explosive shells are fired from a piece of

TOKYO 00001497 007 OF 012

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 06//08

155mm artillery. The Air Self-Defense Force's (ASDF) Chief of Staff Toshio Tamogami said, "It will cost us 10 billion yen to scrap them," and the GSDF said that it had no idea about how much it would cost to scrap them.

The government spent approximately 2 billion yen to scrap some one million antipersonnel land mines after signing the treaty banning such land mines. Japan agreed now to a treaty totally banning cluster munitions "from a broad perspective," says Tamogami, but this agreement is certain to serve as a material to further constrain Japan's defense spending, which has continued to decrease for six years in a row.

11) Machimura suggests ground-based assistance for Afghanistan in attempt to drag DPJ into debate

ASAHI (Page 2) (Full) June 1, 2008

Chief Cabinet Secretary Nobutaka Machimura delivering a speech on

May 31 in Tokyo indicated in connection with the Maritime Self-Defense Force's refueling operation in the Indian Ocean that the government would consider sending Ground Self-Defense Force troops to Afghanistan as part of the country's assistance for the reconstruction of that country.

Dispatching ground troops to Afghanistan requires the enactment of a new law. Machimura said: "We will consider assistance for Afghanistan while keeping in mind how to obtain the understanding of the Democratic Party of Japan under the divided Diet." In view of DPJ President Ichiro Ozawa's positive stance about joining the International Security Assistance Force in Afghanistan, Machimura's comment was seemingly intended to drag the DPJ into the security argument.

12) Gov't mulls physical support for Afghanistan

YOMIURI (Page 2) (Full) June 1, 2008

The government will consider conducting physical support in Afghanistan in addition to the Maritime Self-Defense Force's ongoing refueling activities in the Indian Ocean, Chief Cabinet Secretary Machimura said in a speech at an international conference hosted by private businesses yesterday in Tokyo. The MSDF has been tasked there with refueling activities under a new antiterrorism special measures law, which will expire in January next year. Meanwhile, Ichiro Ozawa, president of the leading opposition Democratic Party of Japan (Minshuto), has been insisting on the need for Japan to engage the Ground Self-Defense Force in the International Security Assistance Force (ISAF). The government will also consider GSDF participation in ISAF operations.

"The government is about to consider in a little broader view whether it is possible for Japan to do something in addition to the MSDF's continued refueling activities, including whether it is possible to do something in Afghanistan," Machimura said. He added: "This is related to legislation, so we will think about it, including whether we can get the DPJ's understanding."

In this connection, a high-ranking government official said yesterday: "The most likely option is to extend the MSDF's refueling

TOKYO 00001497 008 OF 012

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 06//08

mission. But we'd like to consider what kind of contribution we can do. Mr. Ozawa has advocated SDF participation in ISAF. We'd like to call on the DPJ through the ruling coalition for policy talks."

Defense Minister Ishiba told reporters at a Singapore hotel yesterday evening: "In the case of GSDF activities, the primary requirement is to send them to a noncombat zone. We will have to discuss what kind of activities we will conduct and where."

In October last year, Ozawa announced his advocacy of sending SDF troops to Afghanistan for ISAF participation. The DPJ incorporated its Afghan reconstruction assistance plan in its counterproposal of a new antiterror legislative measure, including sending SDF members, policemen, and physicians. At the time, however, Ozawa forwent the SDF's ISAF participation out of consideration for cautious arguments in his party.

12-2) Fukuda: "GSDF's reconstruction aid in Afghanistan depends on local situation"

MAINICHI (Page 2) (Full) June 2, 2008

Prime Minister Yasuo Fukuda revealed yesterday that the government is looking into the possibility of dispatching Ground Self-Defense Force (GSDF) troops to Afghanistan to assist its reconstruction efforts, saying: "If the nation is in a situation where Japan can offer cooperation on land activities, it will be fine. We are always considering the possibility." But he added: "We are ready to do what we can do. Even so, it depends on the local situation." He indicated the need for Japan to first ascertain the local situation.

On Chief Cabinet Secretary Nobutaka Machimura's reference in a speech on May 31 to a review of the current rice production-adjustment policy (acreage-reduction policy), Fukuda said: "Since you (reporters) are young, eat more rice so that it will become unnecessary to reduce crop acreage. If that becomes the case, the nation's self-sufficiency rate will automatically rise." He thus indicated that priority should be given to expanding domestic consumption over increasing production. He made these remarks in replying questions by reporters at his official residence.

13) Japan considering sending SDF to Sudan

TOKYO SHIMBUN (Page 3) (Full) May 31, 2008

President Bashir of Sudan, who attended the meeting of the Tokyo International Conference on African Development (TICAD) in Yokohama, late on May 30 had a news conference, in which he said: "Prime Minister (Yasuo) Fukuda told me in a summit meeting that he was mulling sending Self-Defense Forces (SDF) personnel to Sudan." Fukuda had a dialogue with the president on May 28.

In Sudan, the United Nations Mission in Sudan (UNMIS) is engaged in peacekeeping operations (PKO) in the southern part of the country, where a civil war has continued since the 1980s, apart from the so-called Darfur genocide in the southern part of Sudan, where the refugee issue is becoming serious. But according to Bashir, Fukuda, as the purposes of the SDF dispatch to Sudan, cited construction of infrastructure and removal of land mines instead of participation in

TOKYO 00001497 009 OF 012

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 06//08

a PKO. A Sudanese diplomat told Tokyo Shimbun: "Prime Minister Fukuda referred to a southern area of Sudan as a location for (the SDF) to be dispatched. We did not hear of the scale of troops to be dispatched. What he said was not a decision to dispatch but was that he is considering dispatching (SDF personnel)."

14) Prime Minister Fukuda cautious about Japan's launching land-based activities in Afghanistan, saying, "Conditions must allow such"

SANKEI (Page 5) (Full) June 2, 2008

When asked by the press about the possibility of Japan becoming involved in land-based activities in Afghanistan to help the country reconstruct, Prime Minister Yasuo Fukuda stated on June 1:

"If the conditions there enable us to provide such cooperation, we could do so. I'm always considering such a possibility. The Japan International Cooperation Agency already is working there."

Fukuda, however, indicated that Japan would need to cautiously study the option, saying: "Our position is that we will do whatever we can do, but we won't be able to do so if the circumstances there do not allow us."

Chief Cabinet Secretary Nobutaka Machimura, in a speech on May 31, revealed that the government was mulling such activities (by the Ground Self-Defense Force).

15) DPJ Secretary General Hatoyama: Cautious about dispatch of GSDF to Afghanistan

MAINICHI (Page 2) (Full) June 2, 2008

Democratic Party of Japan (DPJ) Secretary General Yukio Hatoyama indicated in a press conference in Suzaka City, Nagano Prefecture, yesterday that his party would cautiously consider the propriety of dispatching Ground Self-Defense Force (GSDF) troops to Afghanistan for land operations. In reference to Chief Cabinet Secretary Nobutaka Machimura's remark suggesting that the government would

discuss the possibility of dispatching GSDF troops for land activities in Afghanistan in connection with the continuation of the Maritime Self-Defense's refueling mission in the Indian Ocean, Hatoyama said: "We cannot easily agree with it. We must consider the possibility in a cautious manner."

16) Japanese, U.S. defense ministers confirm relocation of Futenma $\mathop{\rm Air}\nolimits$ Station by 2014

ASAHI (Page 2) (Full) June 1, 2008

Defense Minister Shigeru Ishiba, now visiting Singapore, held a meeting with U.S. Secretary of Defense Robert Gates on May 31. Touching on U.S. force realignment, Gates sought the implementation of a Japan-U.S. agreement, including the relocation of the U.S. Marine Corps' Futenma Air Station by 2014, saying, "It is extremely important to implement the plans as scheduled." In response, Ishiba said, "We would like to advance them sincerely."

TOKYO 00001497 010 OF 012

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 06//08

According to the Defense Ministry, Okinawa's request to move the planned Futenma replacement facility in Nago into the ocean did not crop up in the meeting. Ishiba also requested U.S. cooperation on Japan's cost of the planned relocation of U.S. Marines from Okinawa to Guam, saying: "We need to offer an explanation to the public." In response, Gate said: "We are naturally prepared to provide you with information."

17) Ishiba, Gates confirm roadmap for USFJ realignment

NIKKEI (Page 2) (Full) June 1, 2008

SINGAPORE-Defense Minister Shigeru Ishiba met with U.S. Secretary of Defense Gates yesterday in Singapore, where he visited to attend an Asian security conference. Ishiba and Gates agreed to steadily realign U.S. forces in Japan in accordance with a roadmap for realignment plans, including the one to relocate the U.S. Marine Corps' Futenma Air Station by 2014. Ishiba asked Gates to provide information about the planned relocation of U.S. Marines from Okinawa to Guam. Gates indicated that he would consider the request.

Japan and the United States last held a meeting of their defense chiefs in Tokyo in November last year. On the pending issue of relocating Futenma airfield, Okinawa Prefecture has calling for the planned relocation site to be moved into the sea. In the meeting, Gates took a cautious stance about reviewing the Futenma accord, saying: "Everything is interrelated in the realignment. It's important to implement it as scheduled in accordance with the roadmap." Ishiba said, "We want to promote it in a sincere way."

Ishiba also touched on Japan's burden sharing in the cost of moving Okinawa-based U.S. Marines to Guam. Ishiba noted: "In Japan, we are highly interested in this, including its cost. We're committed to implementing realignment plans in a sincere way. But we have public accountability." Gates said: "In the United States as well, we need to explain, so it's only natural (to provide information)."

Later in the day, Ishiba met with the defense ministers of six other countries, including South Korea and Australia. Japan and South Korea agreed to expand periodic defense exchanges, including their defense ministers. In addition, Japan agreed with Australia to set up a working group to work together for logistical assistance in the area of international peace cooperation.

18) Ishiba at Asia security conference: Japan's challenge is to adopt a strategy

MAINICHI (Page 3) (Full) June 2, 2008

Makoto Matsuo in Singapore

An Asia security conference held in Singapore from May 30 to June 1 resulted in giving the impression of China's growing presence. Although criticism of China for its arms buildup has been constrained since the huge earthquake in Sichuan Province, the conference, which had been a framework in which the United States and ASEAN countries sought to hold China in check in recent years, has had a growing image of being a forum for holding a dialogue with that country.

TOKYO 00001497 011 OF 012

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 06//08

The conference started in 2002, following the terrorist attacks on the United States. China for the first time last year sent a sub-cabinet level military officer. A Defense Ministry official said it seemed "that China was displaying a stance of strengthening its involvement with the Asia-Pacific region." Deputy chief of the People's Liberation Army staff Ma Xiaotian this time attended. Defense Minister Ishiba throughout the conference repeatedly sought China's making its defense spending transparent, but he also stressed that he could not agree with those proclaiming that China was a threat.

However, although Ishiba met with seven defense chiefs including Defense Secretary Gates, he did not formally meet with the Chinese side. Singapore's Prime Minister Lee told Ishiba: "(Japan) needs a positive strategy, and not just trade and investment." One can say that he laid on an extra challenge for Japan.

19) Prime Minister Fukuda urges young people to eat more rice so that acreage reduction policy would become unnecessary

SANKEI (Page 5) (Full) June 2, 2008

At a press conference held prior to his trip to Europe, including his participation in a food security summit, Prime Minister Yasuo Fukuda underscored the need for expanding domestic rice consumption, saying: "I want young people to eat more rice so that the government will not need to continue the reduced-rice-acreage policy."

Fukuda made such a remark in response to Chief Cabinet Secretary Nobutaka Machimura's speech on May 31 in which he had referred to a review of the government's rice acreage reduction policy due to the international food shortage. Fukuda also stressed: "(Japan's food) self-sufficiency rate would automatically increase if the reduced-rice-acreage policy was not needed. Let's do so at first!" He appears to have taken the view that an expansion of rice consumption must come first because there is concern that a revising the rice acreage reduction policy would drop rice prices.

Japan's food self-sufficiency rate for fiscal 2006 was 39 PERCENT . Of the 8,556,000 tons of domestic rice production in 2006, 7,800,000 tons were actually consumed.

20) DPJ revising its strategy to press for Diet dissolution in the fall or later, focusing instead on election stance (Nikkei)

NIKKEI (Page 2) (Excerpt) June 1, 2008

The Democratic Party of Japan (DPJ) has begun to reconstruct its election strategy aimed at the next Lower House race. Since Prime Minister Fukuda has rejected the idea of an early Diet dissolution and snap election, the party has revised its anticipated timing of dissolution from this Diet session to the fall or later. It will now engage in full-scale consideration of possibly changing its candidate lineup. In the Liberal Democratic Party (LDP), the predominant view now is that dissolution is fairly far off in the future, with care being taken on how to prevent the election stance from weakening.

21) DPJ trying to avoid electing new party president without a

TOKYO 00001497 012 OF 012

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 06//08

formal vote

YOMIURI (Page 4) (Excerpts) June 1, 2008

It is becoming increasingly likely that Democratic Party of Japan (DPJ) President Ozawa will be reelected to a third term in September, but there is a growing view in the party that it should not be without a formal vote. The reason is that the party should use the presidential election as a means to publicize its identity.

Although Ozawa himself has not formally indicated his intention to run as a candidate, conventional wisdom has it that he will announce his candidacy for a third term, since he has stated, "I will stake my political life on bringing about a change in government in the next general election." With this in mind, party leaders including Secretary General Hatoyama have announced their support for a third term for Ozawa. The thinking is that since he won them the Upper House, they should fight in a Lower House election under him.

SCHIEFFER